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UNITED KINGDOM INCOME TAX

Changes in Budgets of October 26, 1955 and April 17, 1956

1. TAXATION OF INDIVIDUALS

No change in either Budget. Details given on pages 1-5 still apply.

2. TAXATION OF CORPORATIONS

a. Budget of October 26, 1955 : The distributed profits tax was increased from $22\frac{1}{2}$ per cent to $27\frac{1}{2}$ per cent, effective November 1, 1955.

b. Budget of April 17, 1956 : The distributed profits tax was increased from $27\frac{1}{2}$ per cent to 30 per cent, effective April 1, 1956.

The undistributed profits tax was increased from $2\frac{1}{2}$ per cent to 3 per cent, effective April 1, 1956.

The rates of tax (income tax and profits taxes) paid by a corporation now range from $45\frac{1}{2}$ per cent ($42\frac{1}{2}$ per cent income tax plus 3 per cent undistributed profits tax) to 62.92 per cent, according to the proportion of profits distributed.

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